

Federal Trade Commission
Office of the Secretary
Business Opportunity Rule R511993
Room H-135 (Annex W)
6000 Pennsylvania Ave. NW
Washington, DC 20580

Proposed Rule: Business Opportunity Rule R511993

Dear Sirs:

Please note I am not in favor of the Proposed Rule R511993. This proposed rule will impose unreasonable and unnecessary burdens on the active business builder who for the most part are already and willingly following the current laws; while those who are not following the laws—will continue to do so.

My experience with business opportunities has been good. It has been exceptionally excellent through the Quixtar Corporation. I have found their policies & procedures of the highest business and ethical standards. When I registered with them, I received honest up to date information as well as tremendous business support. I provide people in my business the same information. My prospects understand this is not a “get rich quick deal” and performance and reward is based on hard work.

As an American citizen I am concerned about proposed ruling: its historical background, inferences made from that historical background which has resulted in this proposed ruling. First of all, from reading the ruling it is alleged “the industry is suffering from widespread fraud”. It is inferred the number of “complaints” the FTC has received has justified the need for this ruling. Yet, there is no indication these complaints have been investigated or validated. Additionally, the number of “complaints” is insignificant in relation to the number of people involved in this industry. The 2005 potentially, uninvestigated and unsubstantiated complaints 4,366 represents only .01% of ALL the people involved in this industry.

In Section B of the proposed rule it is indicated “based on the Rule Review and ANPR commentators and “participants” overwhelmingly urged the Commission to promulgate a separate rule for business opportunities”. One of the requirements of the ANPR process is rules developed through this process must follow the Constitution, public laws, proclamations, executive orders, rules, etc. I believe the proposed rule as it is written violates our privacy, free trade, right to do business. As well I believe a part of this process should be appropriate investigation of complaints.

Proposed Ruling and recommendations:

1. **The requirement of having prospects wait for 7 days** after receiving disclosure before they can register please eliminate this rule. In our business, if the prospect is not satisfied they can get a refund. Is this the same standard that you use for all other industries? I.e. banking, home sales, car sales, etc. etc. This waiting period has the potential to imply that this industry “cannot be trusted”. **I propose this be eliminated.**

2. **The requirement to provide references.** This clearly violates privacy of individuals in our business. Along with privacy violations, is this the same standard other industries are held to? In our business, we introduce our prospects to other business owners who are in our business. In addition, it puts unreasonable and undue burden on the business owner and provides an open door for identify theft. **I propose this be eliminated**

3. **Requirement to provide a “litigation list”.** Again, this proposed ruling places unnecessary and undue burden on our businesses. Again, is this the same standard that other industries are held to? Before, I buy a “Subway” sandwich must the owner provide me with a list litigation list. Will my bank? Will the IRS? Will every landlord across America soon have to provide such a list to new renters? Additionally, the current wording does not adequately define what a “seller” is, nor does it define clearly what type of information and does not take into consideration that many lawsuits are frivolous and unfounded—so why require this reporting? Additionally, having this requirement will potentially create an adverse inference within the minds of prospects. **I propose this be eliminated**

4. **Requirement for specific earnings disclosure.** Currently we share with our prospects what is possible in earnings. This ranges from the basic savings every month to building a large network of people with potential for large income. We specifically list out a proposed plan and a specific way to accomplish it. Within our business structure, prospects and independent business owners have the opportunity to meet people who have actually accomplished these goals. Again, is this the same standard other industries are held to? The current information we provide is validated and sufficient for a prospect to make an informed decision without violating anyone’s’ privacy. **I propose this be eliminated**

6.28.06

Page 2 of 2 (Sharon Gibson)

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(Continued from page 1 of 2)

5. **Requirement for financial substantiation:** We provide people with evidence that we receive a bonus back every month—this is evidence of the main building block of our business. If a business owner does not accomplish that first goal then they very unlikely build a successful business. To provide them with evidence of complete financial earnings is a violation of our privacy. Additionally, is this the same standard other industries are held to? **I propose this be eliminated.**

6. **Requirement to disclose number of previous purchasers who have cancelled within the past 2 years.** Again rule, this is not the same standard that is applied to other industries. **I propose this be eliminated.**

In conclusion, in all fairness to the millions of Independent Business Owners associated with man different companies AND in relation to the VERY low number of unsubstantiated complaints; I believe this ruling is **not** what is required at this point. I believe enforcing this ruling would negatively impact our economy as well as impose unnecessary restraints on the business builders who are already following the rules. I firmly believe what is needed is

- First, complete investigation of the current complaints.
- Secondly consultation with those companies who DO NOT have significant number of complaints to find out what their “Best Practices” are.

Thank you for taking the time to consider this feedback.

Sincerely,

Sharon Gibson